

Fig. 1

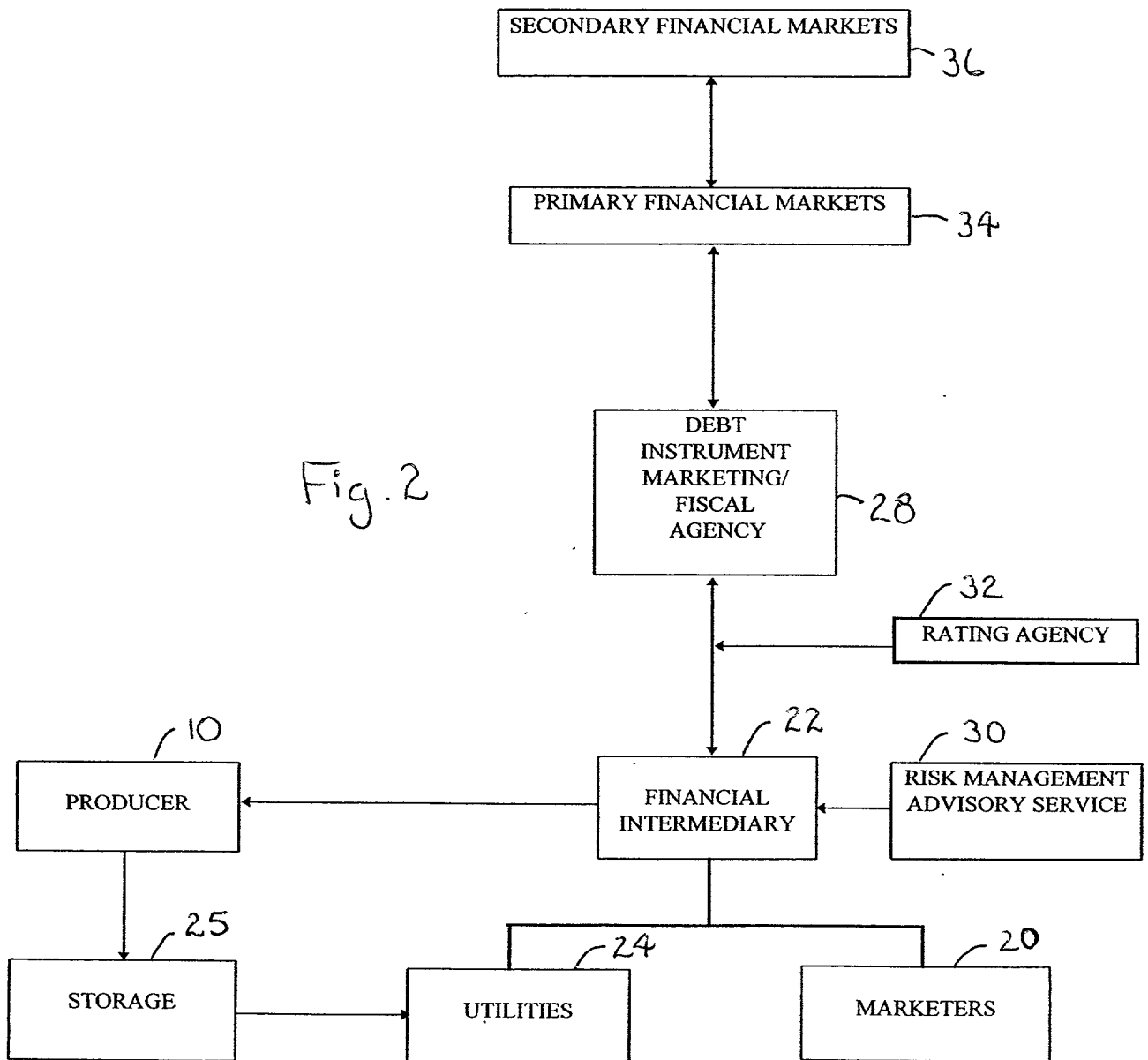


Fig. 2

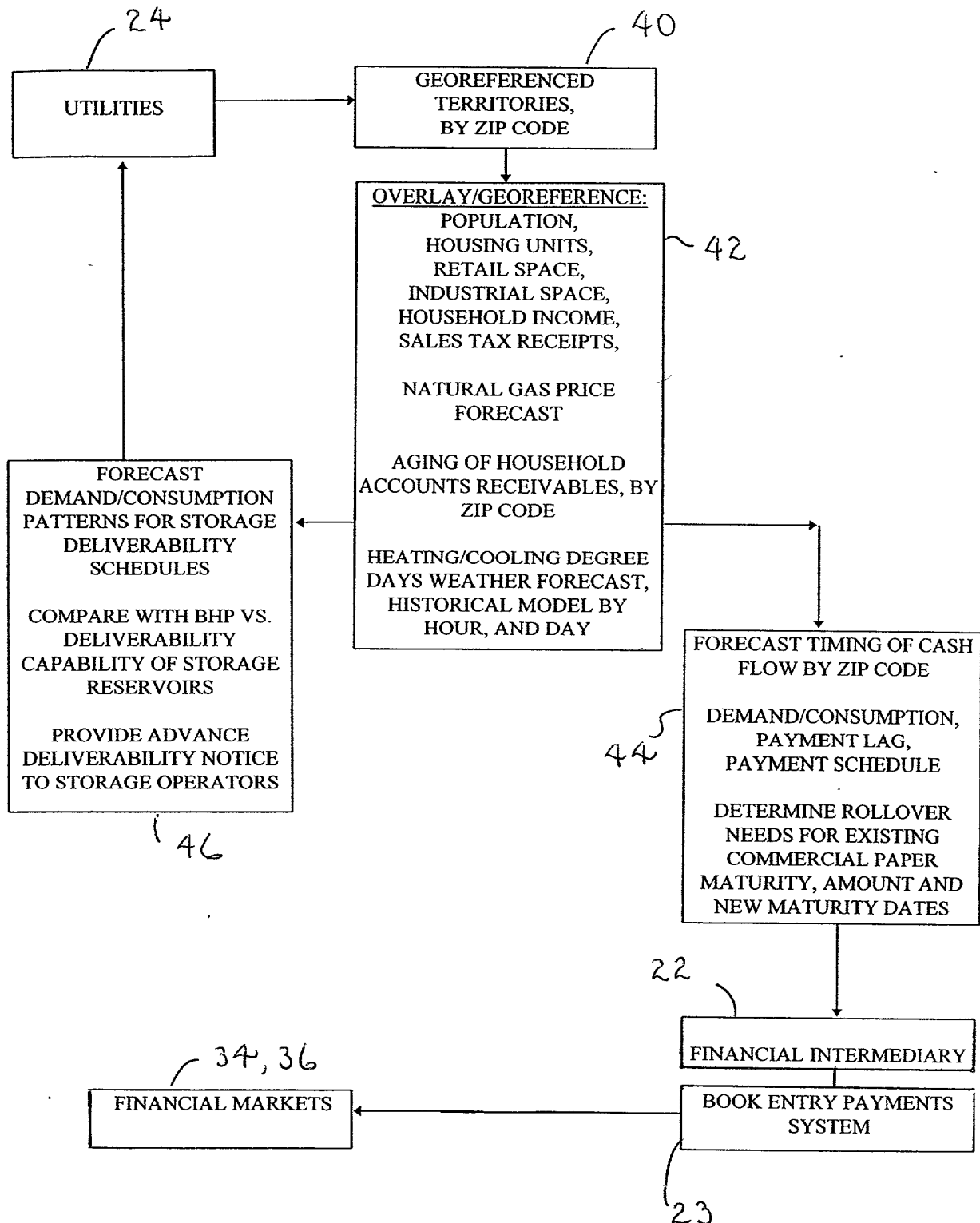


Fig. 3

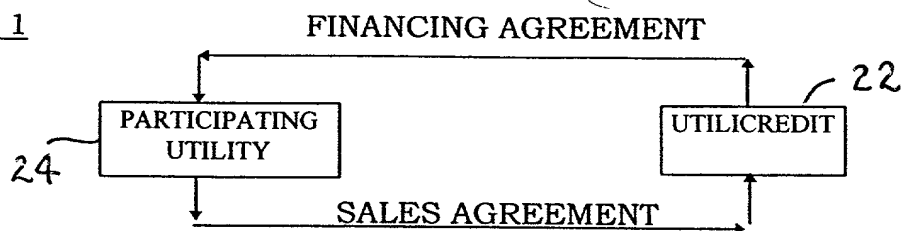
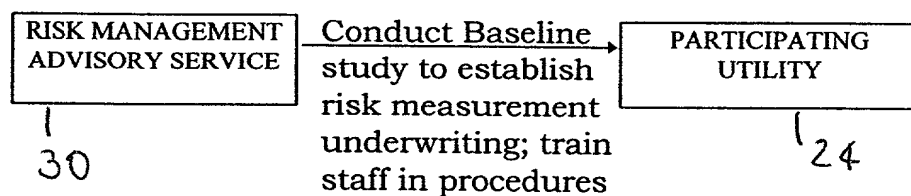
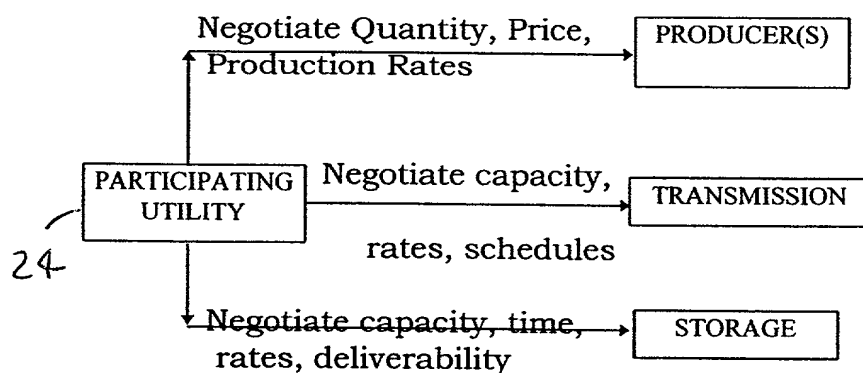
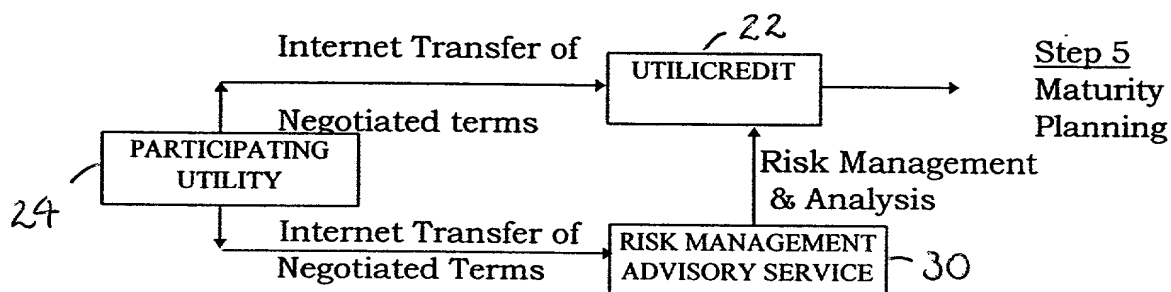
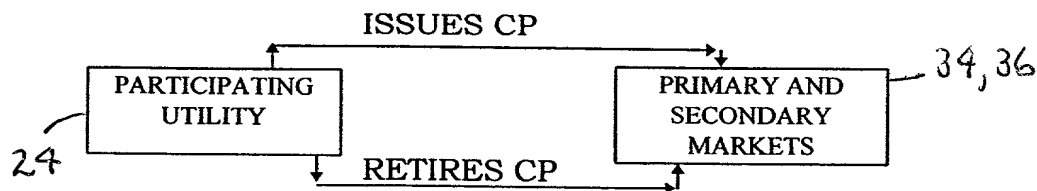
Step 1Step 2Step 3Step 4Step 6

Fig. 4

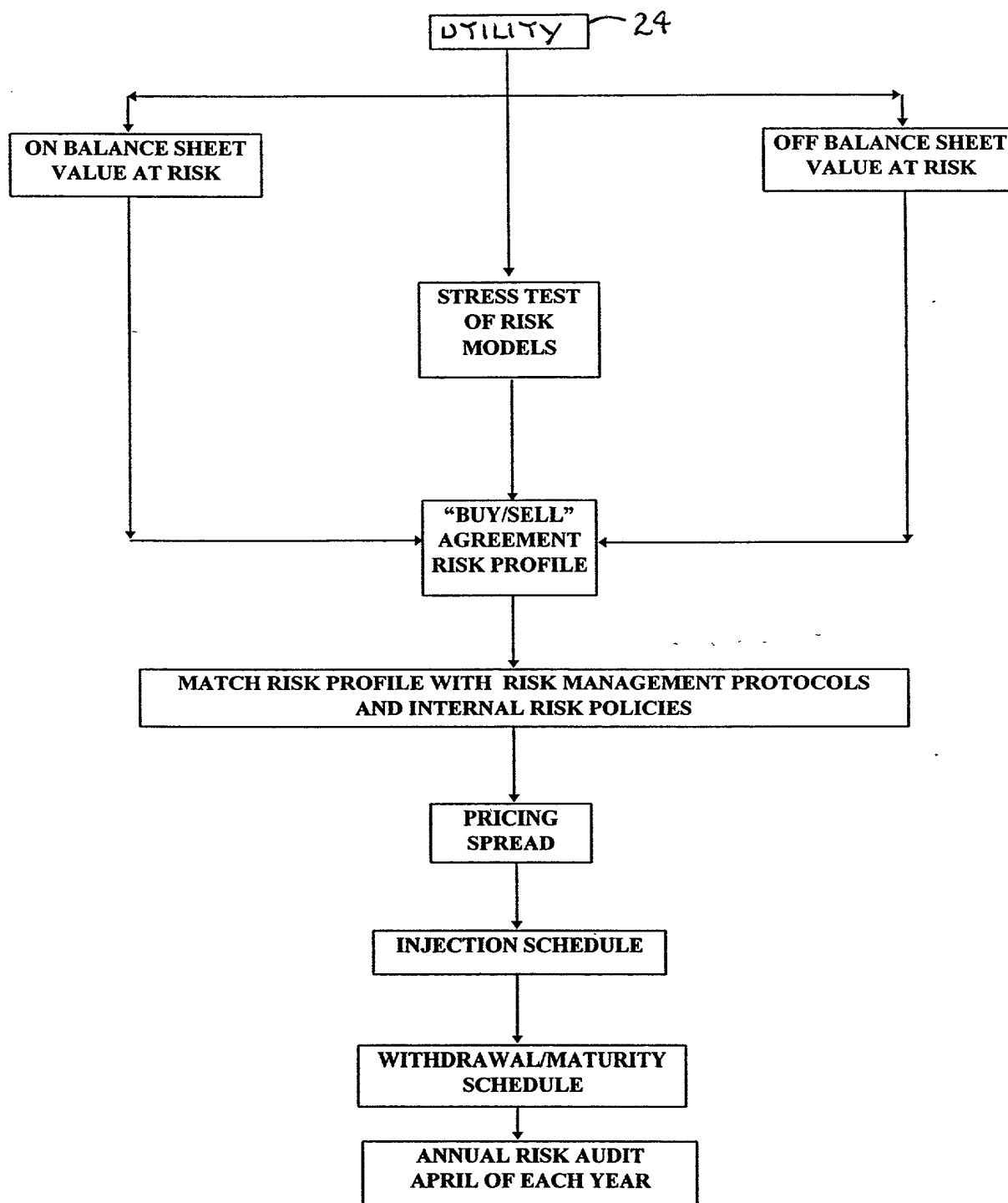


Fig. 5

<u>Risk Factor(s) X</u>	<u>Units</u>	<u>Weighting</u>	<u>Example 1</u>	<u>Example 2</u>	<u>Example 3</u>
Size of default exposure	\$	20%	\$16,400,000	\$5,000,000	\$28,000,000
Temperature Volatility, 2 sigma	%	30%	0.5	0.5	0.5
Ratio of Aged A/R to LDC reserve	%	20%	0.75	0.75	0.75
Storage Deliverability decline ratio to LDC log normal demand	%	20%	0.2	0.2	0.2
Producer no. days/214 fill season	%	10%	0.8	0.8	0.8
$X$ $\ln X$ $\text{Constant} = 15$ $\text{formula} = 15 \ln (X)$					
			\$236.16000	\$72.00000	\$403.20000
			5.464509541	4.27666612	5.99943272
			x15	x15	89.9914908
			81.96764312	64.1499918	

<u>Example 4</u>	<u>Example 5</u>	<u>Example 6</u>
\$16,400,000	\$5,000,000	\$28,000,000
0.3	0.3	0.3
0.6	0.6	0.6
0.05	0.05	0.05
\$0.0900	0.09	0.09
\$0.1200	0.12	0.12
\$0.0100	0.01	0.01
\$0.0500	0.05	0.05
\$17.71200	\$5.40000	\$30.24000
2.874242376	1.68639895	3.40916555
x15	x15	51.1374833
43.11363564	25.2959843	
Category I 0 - 19.9		
Category II 20 - 39.9		
Category III 40 - 59.9		
Category IV 60 - 79.9		
Category V > 80		
Spread @ 6.5% CP rate		
25		
32		
57		
90		
120		

EXAMPLE OF INTEREST RATE SPREAD DIFFERENTIAL

EXAMPLE "SCORE"

Category I 0 - 19.9  
Category II 20 - 39.9  
Category III 40 - 59.9  
Category IV 60 - 79.9  
Category V > 80

Fig. 6